


# Exhibit 5

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## Department of Justice

Office of Public Affairs

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# **South Korean National and Hundreds of Others Charged Worldwide in the Takedown of the Largest Darknet Child Pornography Website, Which was Funded by Bitcoin**

## **Dozens of Minor Victims Who Were Being Actively Abused by the Users of the Site Rescued**

Jong Woo Son, 23, a South Korean national, was indicted by a federal grand jury in the District of Columbia for his operation of Welcome To Video, the largest child sexual exploitation market by volume of content. The nine-count indictment was unsealed today along with a parallel civil forfeiture action. Son has also been charged and convicted in South Korea and is currently in custody serving his sentence in South Korea. An additional 337 site users residing in Alabama, Arkansas, California, Connecticut, Florida, Georgia, Kansas, Louisiana, Maryland, Massachusetts, Nebraska, New Jersey, New York, North Carolina, Ohio, Oregon, Pennsylvania, Rhode Island, South Carolina, Texas, Utah, Virginia, Washington State and Washington, D.C. as well as the United Kingdom, South Korea, Germany, Saudi Arabia, the United Arab Emirates, the Czech Republic, Canada, Ireland, Spain, Brazil and Australia have been arrested and charged.

Assistant Attorney General Brian A. Benczkowski of the Justice Department's Criminal Division, U.S. Attorney Jessie K. Liu for the District of Columbia, Chief Don Fort of IRS Criminal Investigation (IRS-CI) and Acting Executive Associate Director Alysa Erichs of U.S. Immigration and Customs Enforcement (ICE)'s Homeland Security Investigations (HSI), made the announcement.

"Darknet sites that profit from the sexual exploitation of children are among the most vile and reprehensible forms of criminal behavior," said Assistant Attorney General Brian A. Benczkowski of the Justice Department's Criminal Division. "This Administration will not allow child predators to use lawless online spaces as a shield. Today's announcement demonstrates that the Department of Justice remains firmly committed to working closely with our partners in South Korea and around the world to rescue child victims and bring to justice the perpetrators of these abhorrent crimes."

"Children around the world are safer because of the actions taken by U.S. and foreign law enforcement to prosecute this case and recover funds for victims," said U.S. Attorney Jessie K. Liu. "We will continue to pursue such criminals on and off the darknet in the United States and abroad, to ensure they receive the punishment their terrible crimes deserve."

"Through the sophisticated tracing of bitcoin transactions, IRS-CI special agents were able to determine the location of the Darknet server, identify the administrator of the website and ultimately track down the website server's physical location in South Korea," said IRS-CI Chief Don Fort. "This largescale criminal enterprise that endangered the safety of children around the world is no more. Regardless of the illicit scheme, and whether the proceeds are virtual or tangible, we will continue to work with our federal and international partners to track down these disgusting organizations and bring them to justice."

"Children are our most vulnerable population, and crimes such as these are unthinkable," said HSI Acting Executive Associate Director Alysa Erichs. "Sadly, advances in technology have enabled child predators to hide behind the dark

web and cryptocurrency to further their criminal activity. However, today's indictment sends a strong message to criminals that no matter how sophisticated the technology or how widespread the network, child exploitation will not be tolerated in the United States. Our entire justice system will stop at nothing to prevent these heinous crimes, safeguard our children, and bring justice to all."

According to the indictment, on March 5, 2018, agents from the IRS-CI, HSI, National Crime Agency in the United Kingdom, and Korean National Police in South Korea arrested Son and seized the server that he used to operate a Darknet market that exclusively advertised child sexual exploitation videos available for download by members of the site. The operation resulted in the seizure of approximately eight terabytes of child sexual exploitation videos, which is one of the largest seizures of its kind. The images, which are currently being analyzed by the National Center for Missing and Exploited Children (NCMEC), contained over 250,000 unique videos, and 45 percent of the videos currently analyzed contain new images that have not been previously known to exist.

Welcome To Video offered these videos for sale using the cryptocurrency bitcoin. Typically, sites of this kind give users a forum to trade in these depictions. This Darknet website is among the first of its kind to monetize child exploitation videos using bitcoin. In fact, the site itself boasted over one million downloads of child exploitation videos by users. Each user received a unique bitcoin address when the user created an account on the website. An analysis of the server revealed that the website had more than one million bitcoin addresses, signifying that the website had capacity for at least one million users.

The agencies have shared data from the seized server with law enforcement around the world to assist in identifying and prosecuting customers of the site. This has resulted in leads sent to 38 countries and yielded arrests of 337 subjects around the world. The operation has resulted in searches of residences and businesses of approximately 92 individuals in the United States. Notably, the operation is responsible for the rescue of at least 23 minor victims residing in the United States, Spain and the United Kingdom, who were being actively abused by the users of the site.

In the Washington, D.C.-metropolitan area, the operation has led to the execution of five search warrants and eight arrests of individuals who both conspired with the administrator of the site and were themselves, users of the website. Two users of the Darknet market committed suicide subsequent to the execution of search warrants.

Amongst the sites users charged are:

- Charles Wunderlich, 34, of Hot Springs, California, was charged in the District of Columbia with conspiracy to distribute child pornography;
- Brian James LaPrath, 34, of San Diego, California, was arrested in the District of Columbia, for international money laundering; and was sentenced to serve 18 months in prison followed by three years of supervised release;
- Ernest Wagner, 70, of Federal Way, Washington, was arrested and charged in the District of Columbia with conspiracy to distribute child pornography;
- Vincent Galarzo, 28, of Glendale, New York, was arrested and charged in the District of Columbia with conspiracy to distribute child pornography;
- Michael Ezeagbor, 22, of Pflugerville, Texas, was arrested and charged in the District of Columbia with conspiracy to distribute child pornography;
- Nicholas Stengel, 45, of Washington, D.C., pleaded guilty to receipt of child pornography and money laundering and was sentenced to serve 15 years in prison followed by a lifetime of supervised release;
- Eryk Mark Chamberlin, 25, of Worcester, Massachusetts, pleaded guilty to possession of child pornography and is pending sentencing;
- Jairo Flores, 30, of Cambridge, Massachusetts, pleaded guilty in the District of Massachusetts to receipt and possession of child pornography and was sentenced to serve five years in prison followed by five years of

supervised release;

- Billy Penaloza, 29, of Dorchester, Massachusetts, pleaded guilty in the District of Massachusetts to possession and receipt of child pornography. His sentencing is scheduled for Oct. 22, 2019;
- Michael Armstrong, 35, of Randolph, Massachusetts, pleaded guilty in the District of Massachusetts, to receipt and possession of child pornography. He was sentenced to serve five years in prison followed by five years of supervised release. Restitution will be determined at a future date;
- Al Ramadhanu Soedomo, 28, of Lynn, Massachusetts, pleaded guilty to possession of child pornography and was sentenced in the District of Massachusetts (Boston), to serve 12 months and one day followed by five years of supervised release;
- Phillip Sungmin Hong, 24, of Sharon, Massachusetts, pleaded guilty in the District of Massachusetts (Boston), to receipt and possession of child pornography and is pending sentencing;
- Eliseo Arteaga Jr., 28, of Mesquite, Texas, pleaded guilty in the Northern District of Texas to possession of prepubescent child pornography. He is pending sentencing;
- Richard Nikolai Gratkowski, 40, of San Antonio, Texas, a former HSI special agent, was arrested in the Western District of Texas. Gratkowski pleaded guilty to the indictment charging one count of receipt of child pornography and one count of access with intent to view child pornography. Gratkowski was sentenced to serve 70 months in prison followed by 10 years of supervised release, and ordered to pay \$35,000 in restitution to seven victims and a \$10,000 assessment;
- Paul Casey Whipple, 35, of Hondo, Texas, a U.S. Border Patrol Agent, was arrested in the Western District of Texas, on charges of sexual exploitation of children/minors, production, distribution, and possession of child pornography. Whipple remains in custody awaiting trial in San Antonio;
- Michael Lawson, 36, of Midland, Georgia, was arrested in the Middle District of Georgia on charges of attempted sexual exploitation of children and possession of child pornography. He was sentenced to serve 121 months in prison followed by 10 years of supervised release following his plea to a superseding information charging him with one count of receipt of child pornography;
- Kevin Christopher Eagan, 39, of Brookhaven, Georgia, pleaded guilty to possession of child pornography in the Northern District of Georgia;
- Casey Santioius Head, 37, of Griffin, Georgia, was indicted in the Northern District of Georgia for distribution, receipt, and possession of child pornography;
- Andrew C. Chu, 28, of Garwood, New Jersey, was arrested and charged with receipt of child pornography. Those charges remain pending;
- Nader Hamdi Ahmed, 29 of Jersey City, New Jersey, was arrested in the District of New Jersey, for sexual exploitation or other abuse of children. Ahmed pleaded guilty to an information charging him with one count of distribution of child pornography. He is scheduled to be sentenced Oct. 1, 2019;
- Jeffrey Lee Harris, 32, of Pickens, South Carolina, pleaded guilty in the District of South Carolina for producing, distributing, and possessing child pornography;
- Laine Ormand Clark Jr., 27, of Conway, South Carolina, was arrested and charged in U.S. District Court in South Carolina Division for sexual possession of child pornography;

- Jack R. Dove III, 38, of Lakeland, Florida, was arrested in the Middle District of Florida for knowingly receiving and possessing visual depictions of minors engaged in sexually explicit conduct;
- Michael Matthew White, 39, of Miami Beach, Florida, was arrested in the Southern District of Florida for coercion and enticement;
- Nikolas Bennion Bradshaw, 24, of Bountiful, Utah, was arrested in the State of Utah, and charged with five counts of sexual exploitation of a minor, and was sentenced to time served with 91 days in jail followed by probation;
- Michael Don Gibbs, 37, of Holladay, Utah, was charged in the District of Utah with receipt of child pornography and possession of child pornography;
- Ammar Atef H. Alahdali, 22, of Arlington, Virginia, pleaded guilty in the Eastern District of Virginia to receipt of child pornography and was sentenced to serve five years in prison and ordered to pay \$3,000 in restitution;
- Mark Lindsay Rohrer, 38, of West Hartford, Connecticut, pleaded guilty in the District of Connecticut to receipt of child pornography and was sentenced to serve 60 months in prison followed by five years of supervised release;
- Eugene Edward Jung, 47, of San Francisco, California, was indicted in the Northern District of California on possession of child pornography and receipt of child pornography;
- James Daosaeng, 25, of Springdale, Arkansas, pleaded guilty to possession of child pornography and was sentenced in the Western District of Arkansas (Fayetteville) to serve 97 months in prison followed by 20 years of supervised release;
- Alex Daniel Paxton, 30, of Columbus, Ohio, was arrested and indicted in Franklin County Ohio Court of Common Pleas for pandering sexually oriented matter involving a minor;
- Don Edward Pannell, 32, of Harvey, Louisiana, pleaded guilty in the Eastern District of Louisiana for receipt of child pornography. He is pending sentencing;
- Ryan Thomas Carver, 29, of Huntsville, Alabama, was arrested and charged under Alabama State Law. He was charged federally in the Northern District of Alabama with possession of child pornography. His case is pending in Huntsville, Alabama;
- Alexander Buckley, 28, of the United Kingdom, pleaded guilty to 10 offences in the UK of possession and distribution of indecent images of children, possession of extreme and prohibited images and possession of a class A drug. He was sentenced to serve 40 months in prison for the distribution of indecent images and possession of class A drugs. Buckley is also subject to an indefinite Sexual Harm Prevention Order;
- Kyle Fox, 26, of the United Kingdom, pleaded guilty to 22 counts including rape, sexual assault, and sharing indecent images, and was sentenced to serve 22 years in prison; and
- Mohammed Almaker, 26, of Fort Collins, Colorado, was arrested in the Kingdom of Saudi Arabia (KSA), charged with KSA Law involving the endangerment of children. He is awaiting judicial proceedings in furtherance of criminal charges.

A forfeiture complaint was also unsealed today. The complaint alleges that law enforcement was able to trace payments of bitcoin to the Darknet site by following the flow of funds on the blockchain. The virtual currency accounts identified in the complaint were allegedly used by 24 individuals in five countries to fund the website and promote the exploitation of children. The forfeiture complaint seeks to recover these funds and, ultimately through the restoration process, return the illicit funds to victims of the crime.

The charges in the indictment are merely allegations, and all defendants are presumed innocent until proven guilty beyond a reasonable doubt in a court of law.

The international investigations were led by the IRS-CI, HSI and the NCA. The Korean National Police of the Republic of Korea, the National Crime Agency of the United Kingdom and the German Federal Criminal Police (the Bundeskriminalamt), provided assistance and coordinated with their parallel investigations. The Department of Justice's Office of International Affairs of the Criminal Division provided significant assistance.

The cases are being handled by Assistant U.S. Attorneys Zia M. Faruqui, Lindsay Suttenger, and Youli Lee, Paralegal Specialists Brian Rickers and Diane Brashears, Legal Assistant Jessica McCormick, and Records Examiner Chad Byron of the U.S. Attorney's Office for the District of Columbia and Trial Attorney C. Alden Pelker of the Criminal Division's Computer Crime and Intellectual Property Section. Additional assistance has been provided by Deputy Chief Keith Becker and Trial Attorney James E. Burke IV of the Criminal Division's Child Exploitation and Obscenity Section, and former U.S. Attorney's Office Paralegal Specialists Toni Anne Donato and Ty Eaton.

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**Attachment(s):**

[Download Son Indictment](#)

[Download Graphic of Seizure Page](#)

[Download Screen Shot of Webpage](#)

[Download Complaint for Forfeiture](#)

**Topic(s):**

Cyber Crime

**Component(s):**

[Criminal Division](#)

[Criminal - Child Exploitation and Obscenity Section](#)

[Criminal - Computer Crime and Intellectual Property Section](#)

[Criminal - Office of International Affairs](#)

[USAO - District of Columbia](#)

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